EDA - EDC CREATING MONTANA BUSINESS OPPORTUNITIES

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes

Wednesday, June 7, 2017 - 7:30 A.M. - Rosebud Room - Granite Tower

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, Big Sky Economic Development provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members Present:

EDA - Sheri Nicholson, Jennifer Smith, Robin Rude,

EDC - David Trost, Eric Simonsen, Mike Nelson, Duncan Peete

Staff and others Present:

Steve Arveschoug, Jim Tevlin, Brandon Berger, Allison Corbin, Dianne Lehm,

Becky Rogers, Mary Lou McMillan (recording secretary)

Sheri Nicholson, EDA Chair called the meeting to order at 7:32 a.m.

Public Comments: Steve introduced our first ever Operations Director, Becky Rogers. Each Board Member introduced themselves to Becky.

Changes to the Agenda:

Under Program Directors Updates, item B (Update: Business Finance-SBA Merger - Brandon) was presented before item A (GE-Zoot Project Action Items - Allison).

Approval of EDA/EDC Executive Committee Minutes of May 2017

Motion: Robin Rude, to approve and forward to the Board of Directors the May 2017 Executive Committee

Minutes as presented to the Executive Committee.

Second: Mike Nelson Discussion: None Motion carried

Approval of EDA/EDC Financials

Jim discussed the EDA balance sheet and the restricted cash of \$25,000 being the revenue guarantee for American Airlines. He also spoke of the deferred revenue of \$131,464 related to GE Capital. The normal monthly payment is about \$84,000. They paid \$201,000. It will be applied to the loans.

Jim discussed items related to SSBCI of the EDC financials. He talked about the principal repayments that were restricted to additional lending under the SSBCI program. Those restrictions were removed April 4, 2017. One of the conditions of the SSBCI program was 2% of the amount that was granted to Big Sky EDA essentially goes back to the Montana Department of Commerce.

Motion: Jennifer Smith, to approve and forward to the full Board the May EDA/EDC Financials as presented to the

Executive Committee. Second: Eric Simonsen Discussion: None Motion carried

Executive Session: 7:40 a.m. - 8:19 a.m.

Motion: David Trost, to go into an Executive Session to discuss Steve's performance evaluation.

Second: Duncan Peete Discussion: None Motion carried

David Trost announced feedback of Steve's evaluation. It was affirmed Steve's employment is going well. Also recommended, for inclusion in the budget, an adjustment for Steve commensurate to his experience and performance, as well as strong encouragement that Steve take some time this year to do self-development in his leadership engagement of the organization.

Review/Consideration of Proposed Preliminary FY 2018 Budgets

FY 2018 Budget Packet Review - Steve

Steve gave an overview of the Big Sky Economic development Budget Narrative packet for Fiscal Year 2018. He pointed out when the budget is set, it's providing the resources to continue great things as an organization. He mentioned how Big Sky Economic Development is allocating the limited resources. We put significant focus on business growth services, community development and recruitment. Those are what make up the mission of our organization. Steve gave a brief overview of each department's accomplishments.

Proposed Budgets Review - Jim Tevlin

Jim discussed the proposed budget for EDA. The budget represents a full mill levy. The difference between full mill levy and what has been paid to us in the past is about \$94,000. If we don't get the maximum mill levy, we must make some budget cuts. On June 22, Steve and Jim will present this to the commissioners.

Jim reviewed the Revenue and Expenses of Big Sky EDC. He noted SBA has a requirement to show what the investment is in economic development. It is a formalized, board approved process. It is included in the budget packet to show where the additional dollars go. Brandon added that our excess net needs to be invested in economic development activities across the state. We need to show how we're going to invest that capital and have it approved by the board. Jim said the EDC budget reflects the merger with MCFC. Their start date was June 1, 2017. It also reflects the \$3.5 million additional loan volume. EDC budget also has an additional contribution towards BillingsWorks and Recruitment. EDC tends to be more revenue related, with additional revenue to the 504 Program. We also have revenue we get through events and revenue we get through our Member Investor program.

Motion: Jennifer Smith, to move the recommend budget to the full board.

Second: Mike Nelson Discussion: None Motion carried

Executive Director's Report - Steve

Consideration of July 5th Executive Committee Meeting (cancel or date change)

July 5, 2017 would be the date for our next Executive Committee meeting. Steve asked if anyone will be here the day after the 4th of July. Not knowing if we'll have a quorum we may cancel the next Executive Committee meeting. We will poli the meeting to find out who will or who will not be in town.

Program Directors Updates

Update: Business Finance - SBA Merger - Brandon

Brandon mentioned at the last Board Meeting the amendment to the contract between EDA and EDC, was approved. He said he had neglected to present the resolution for that agreement. It was sent off to SBA.

Motion: Eric Simonsen, for the board to act to confirm the adoption of the resolution for the amendment and approval of the EDA/EDC management services agreement.

Second: Robin Rude
Discussion: None
Motion carried

Secretary of State Approval – June 1 start!

Brandon spoke of the papers being filed with the Secretary of State regarding the merger. He mentioned getting the final official letter from SBA stating the effective date of the merger is June 5, but the merger was effective on June 1st. SBA has fully approved the merger and began merging the portfolios together. Everything is now official.

Mike Nelson, Jennifer Smith and Eric Simonsen were excused from the meeting. The GE Building Appraisal will go to full board tomorrow.

GE-Zoot Project Items -- Allison

Allison discussed the GE Facility and the ongoing transaction with Zoot. She mentioned we are maintaining the lease for the purchase agreement between BSED & GE through the end of December. The purchase date will be in July. Allison mentioned the Incentive Agreement will close before the purchase agreement closes. The reason being that they want those incentives to help with the cost of the building. She reviewed the Board Resolution. Since we haven't reached a final purchase agreement, the Resolution is written to allow for changes to occur.

In absence of a quorum, suggestion is given to send to full board.

Meeting Adjourned at 9:23 a.m.

Next Meeting - August 2, 2017, Rosebud Room, Granite Tower

Respectfully submitted Sheri Nicholson, EDA Chair

When approved, minutes will be filed electronically in the Big Sky EDA office.